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SC No. 01184/61 Copy No. 288

CURRENT INTELLIGENCE WEEKLY REVIEW

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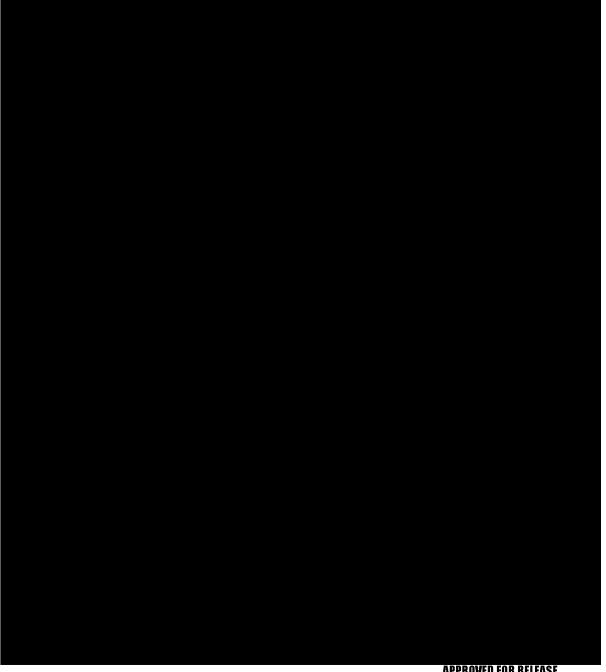
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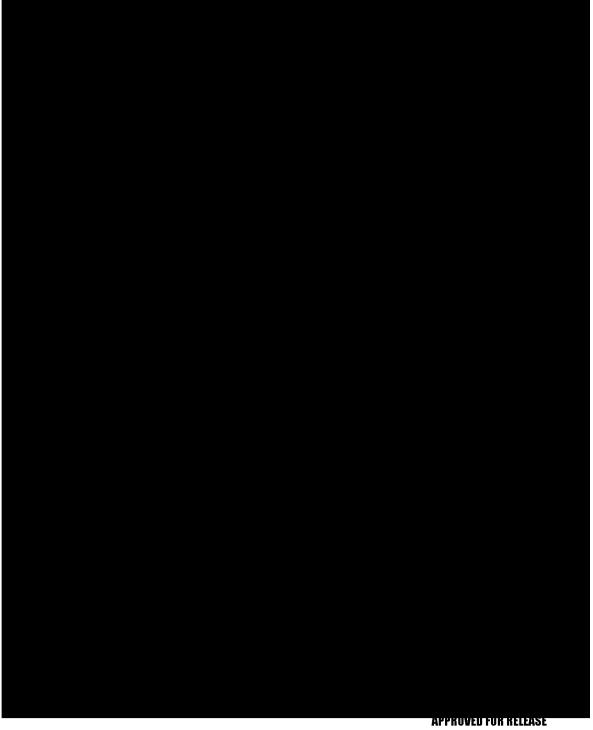
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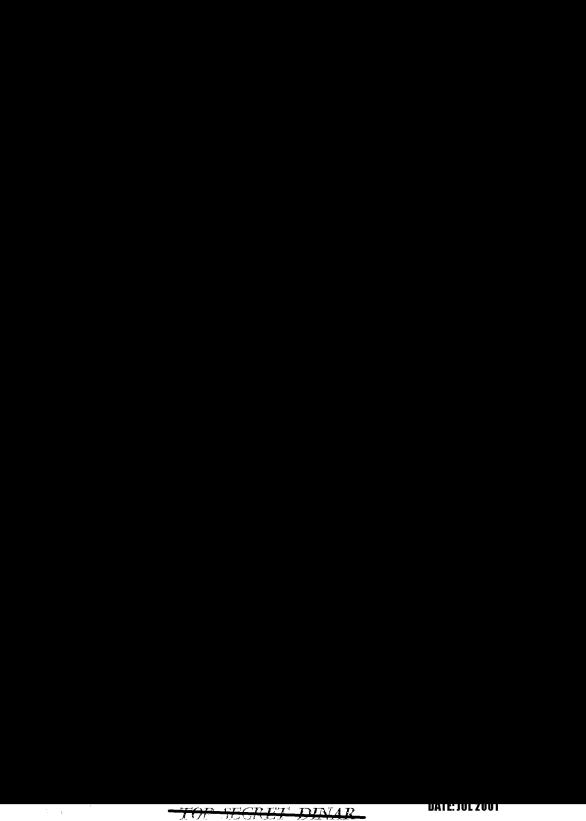
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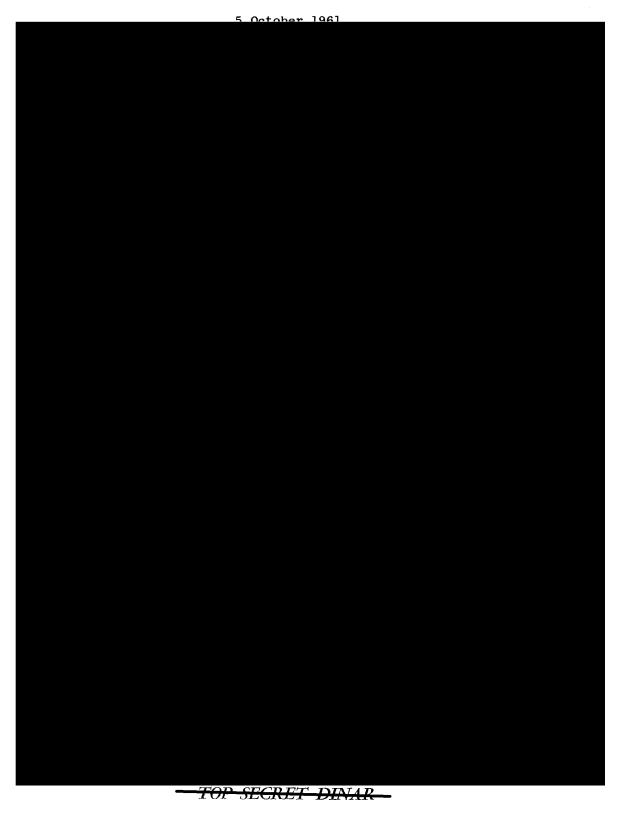


Factional struggle threatens the stability of South Korea's ruling military council. Security boss Col. Kim Chong-pil, whose followers tend to favor protracted military rule and a state-operated economy, is pressing for the removal of the council's vice chairman, Maj. Gen. Yi Chu-il, whose group appears to want a more moderate approach to the country's difficulties. The chairman of the council, Lt. Gen. Pak Chong-hui, is believed to be working to avoid a showdown.

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FACTIONALISM IN SOUTH KOREAN REGIME

The arrest by security forces on 25 September of 28 persons linked to the vice chairman of South Korea's Supreme Council for National Reconstruction (SCNR), Maj. Gen. Yi Chu-il, is the latest manifestation of a major factional struggle between Yi and national security boss Col. Kim Chongpil. Both men head powerful alliances within the military junta. The chairman of the SCNR, Lt. Gen. Pak Chong-hui, is believed to stand above the conflict and to be working to prevent a showdown. Should he fail, the stability of the regime would be endangered.

Following the purge of the coup's front man, Lt. Gen. Chang To-yong, in July, two major factions emerged in the junta--one led by Kim, the other jointly led by Yi and marine Maj. Gen. Kim Tong-ha. The core of Kim Chong-pil's faction is a group of young officers who were in the "eighth class"--the class of 1949--at the Korean Military Academy. This class suffered severe casualties in the Korean war and subsequently found promotions blocked by the relatively youthful generals. The officers in Kim's faction tend to favor protracted military rule and authoritarian measures to solve the country's economic and political problems. Yi's faction is made up largely of senior officers who are more inclined to preserve accustomed relationships and institutions.

All those seized on 25 September are alleged to have been involved in preferential treatment, based on regional loyalties, to "illicit fortune seekers." Those favored are among the 27 business leaders who dominate the country's economy and who have been ordered to pay \$37,000,000 in back taxes and fines within six months. In order to force the regime to grant them more favorable terms, they have cut back their business activities, thus depressing the domestic economy. Feeling against the group is believed to be particularly strong among Kim's faction, which tends to favor the nationalization of industry. Pak's position on nationalization is unknown, but the struggle between Kim and Yi may increase the pressure on Pak to approve a state-operated economy.

Kim reportedly intends to bring about Yi's dismissal from the SCNR before 20 October. any showdown, Kim's faction has the advantage that he controls the secret police. Furthermore, the 800 or more members of the "eighth class" still on active duty include a high proportion of battalion commanders, the lowest echelon of command to exercise court-martial jurisdiction and one of the highest permitting effective personal contact with and personal control of troops.

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